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**FISCAL IMPACT STATEMENT**

**LS 7372**

**BILL NUMBER:** HB 1254

**NOTE PREPARED:** Jan 8, 2011

**BILL AMENDED:**

**SUBJECT:** Notification of Utility Rate Increases.

**FIRST AUTHOR:** Rep. Crouch

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that not later than January 1, 2012, the Indiana Utility Regulatory Commission (IURC) shall develop a communications system to enable the following: (1) A customer of a gas, electric, water, or sewer utility to request to receive notification from the IURC whenever the IURC receives a petition from the utility for an increase in the utility's retail rates and charges. (2) The IURC to generate and send, transmit, or otherwise communicate to each requesting customer notices of the filing of the petition and of the IURC's issuance of a final order in the case.

It specifies certain information that each required notice must include, including instructions on how the customer may opt out of receiving further communications concerning the case. It also provides that the required communications system may include any of the following means of communication: (1) Electronic means. (2) Telephonic means. (3) Any other technologically and economically feasible means, as determined by the commission in considering the technological, staffing, and budgetary resources available to the commission. The bill allows the IURC to adopt rules, including emergency rules, to implement these requirements. It makes conforming amendments.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** *IURC:* This bill requires the IURC to develop a communications system to enable a utility customer to request to receive notification from the IURC whenever the IURC receives a petition from the utility for an increase in the utility's retail rates and charges. The bill also requires the IURC to communicate to each requesting customer notices of the filing of the petition and of the IURC's issuance of a final order in the case. Any increase in administrative costs to the IURC will be offset by public utility fees.

*Background on IURC Funding*: The operating budget of the IURC is funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the agency's budget, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.11% of their gross intra-state operating revenues to fund the IURC.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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